

Hatch

Investment Landscape Survey

June 2019

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Methodology

Perceptive conducted an online survey targeted at New Zealanders over the age of 18 using a nationwide sampling framework.

The results were then weighted to Statistics New Zealand census gender, age and location data to achieve a nationally representative sample.

The survey collected n=1,500 responses, all of which have been analysed and presented within this report.

01

Key Insights

Attitudes Towards Thematic and Social Investing

Social investing is the primary driver of investment decisions (over the investment return) for over a third of New Zealanders (37%).

- This is strongest among Non/Non-Engaged Investors (42%).
- Awareness of different types of social investing is low (67% weren't aware of any types tested).

Responsible investing is the most preferred type of social investing (25%).

While thematic investing ranked as one of the less popular investment strategies overall, it performed reasonably well among males (41% of males selected

thematic investing in their top 3 most appealing ways to invest).

- The most popular themes to invest in would be Healthcare, Technology and Renewables.
- Technology themes are particularly popular among millennials (47%).

Social investing is more likely to be a consideration for millennials (81%) and women (72%).

- Returns however, are still the primary driver of investment decisions (over social implications) for the majority in both groups.

New Zealanders' Preferred Investment Strategies

Investing in brands New Zealanders know and love ranked as the third most popular way to invest (50%) and the most common way New Zealanders have invested previously (22%).

- The key brands these New Zealanders would want to invest in are Apple, Microsoft and Google.

Goal-based investing is appealing to 80% of the population.

- Millennials in particular find goal-based investing popular.

A self-service/DIY platform is the most appealing way to invest for three quarters (72%) of those who found at least one strategy appealing.

- This is also the most common way New Zealanders invest currently with self-managed assets making up 64% of the average portfolio.

Human advice is the most appealing way to receive investment advice (over AI/digital) selected by 74% of New Zealanders and over-indexing among women (77%).

- The human element creates a stronger perception of trust.

02

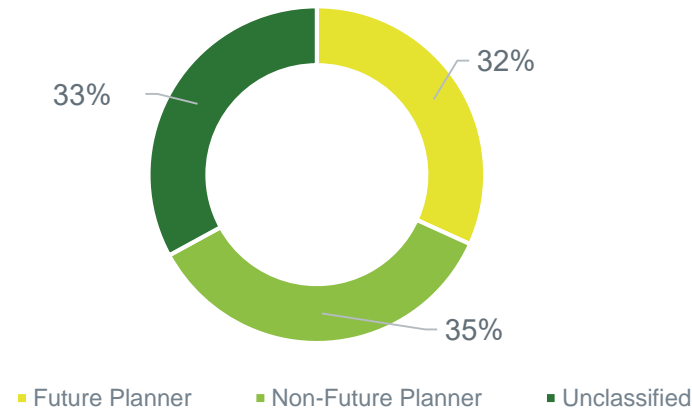
Investment and Money Personalities

Investment and Money Personalities

We asked a range of psychographic questions to understand how New Zealanders see themselves in relation to their money and investment habits.

Base: All (n=1,500)

Money Personalities



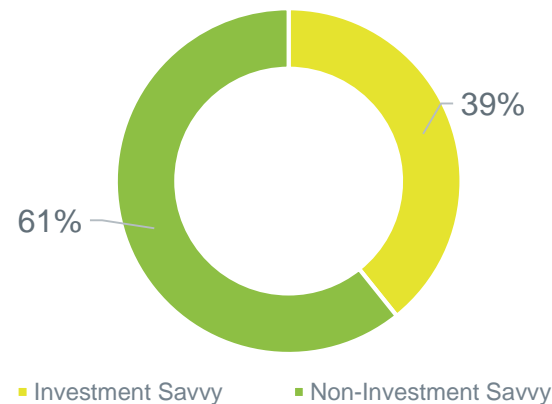
Description

Future Planners are those who plan for their financial future. They understand their finances, have financial goals, know how much money they will need for retirement and avoid using credit cards or getting personal loans to buy consumer goods.

Findings

- Around a third of New Zealanders are Future Planners.
- Baby boomers (41%) and Engaged Investors (50%) are significantly more likely to be Future Planners.

Investment Personalities



Description

Investment Savvy New Zealanders are those who have investments and try to diversify these across a range of asset classes.

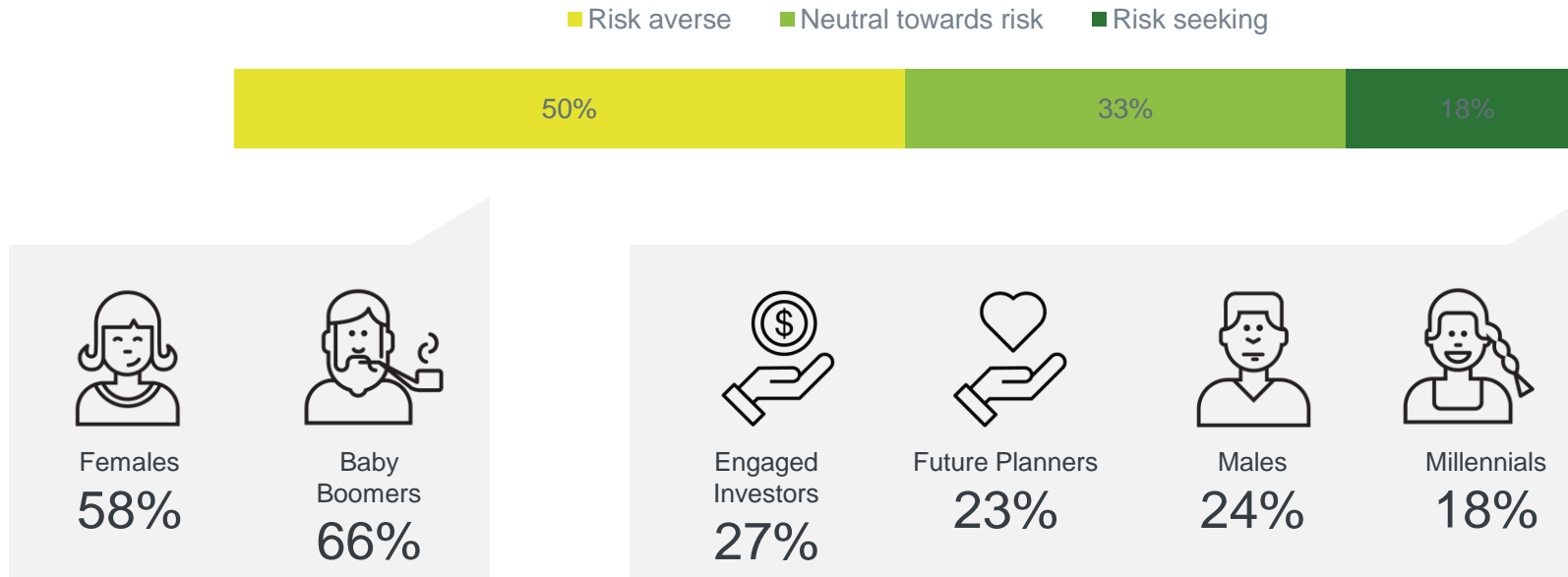
Findings

- 2 in 5 New Zealanders are Investment Savvy.
- Women are significantly less likely to be Investment Savvy (34%) along with millennials (31%) and Non/Non-Engaged Investors (12%).

New Zealanders' Risk Profiles

- Women are significantly more likely to be risk averse than males.
- Millennials are significantly more likely to seek risk than baby boomers. However, findings show that Gen X are the most aggressive risk-wise (24%).
- Future Planners and Engaged Investors are more likely to be risk seeking.

Q. On the scale below, please indicate where you sit regarding your feelings towards risk:



Base: All (n=1,500)

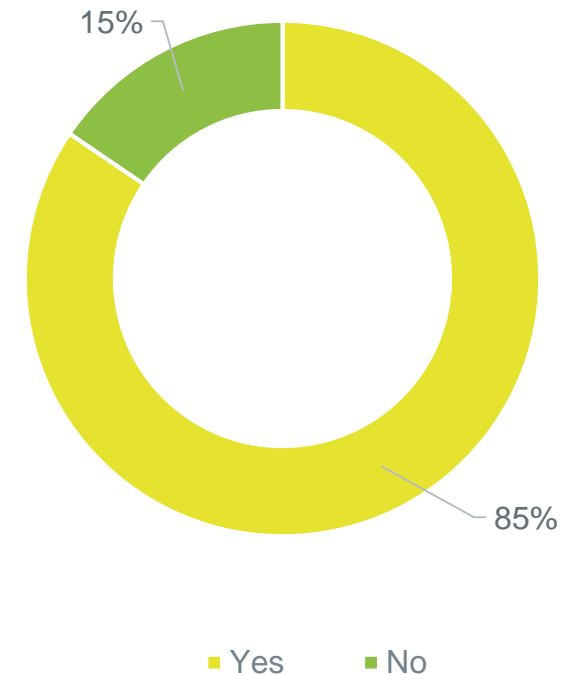
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New Zealand's Investor Landscape

New Zealanders That Have Savings/ Investments

- About 8 in 10 New Zealanders have investments or savings.
- There are no significant differences across age and gender between those who have money invested/saved and those who don't.
- 96% of Future Planners have investments excluding the family home compared to 70% of Non-Future Planners.

Q. Do you currently have money invested / saved?*



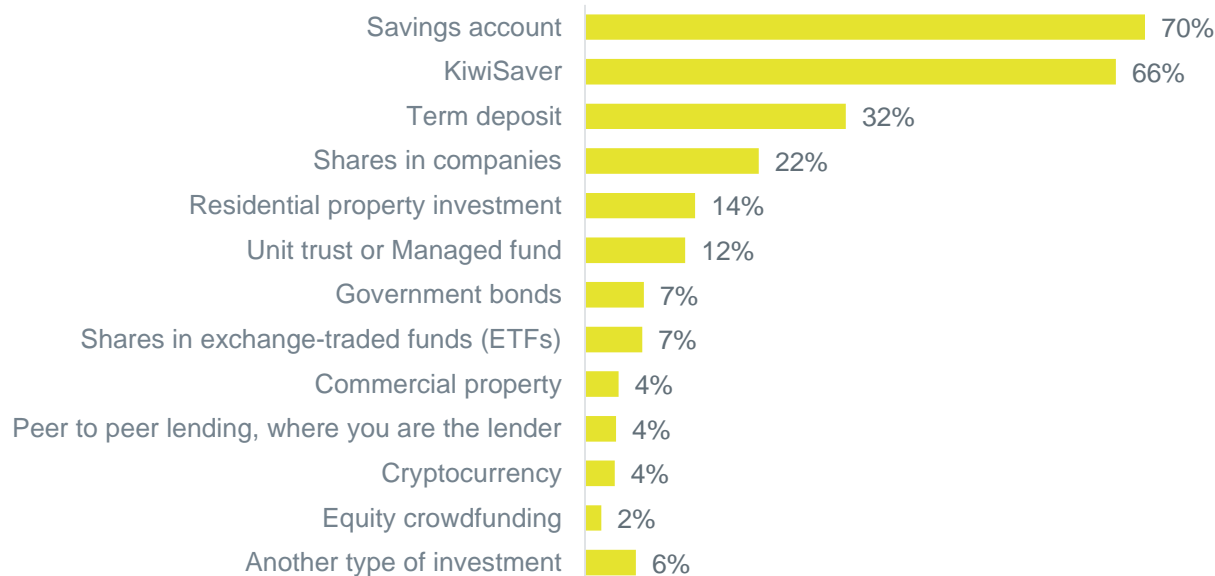
Base: All (n=1,500)

* For the purposes of this report owner occupied housing is not included as an investment

Where New Zealanders are Invested

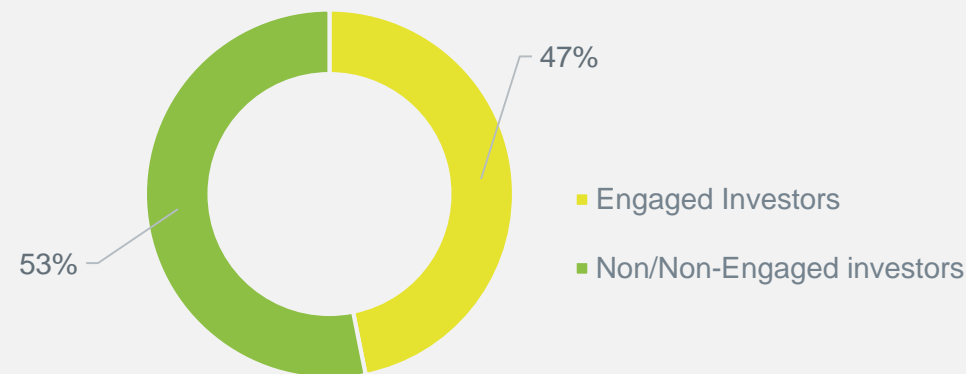
- New Zealanders most commonly have money invested in savings accounts and KiwiSaver.
- Under a quarter of New Zealand investors have money invested in company shares (22%) and even fewer in ETFs (7%).
- Under half of New Zealanders are Engaged Investors.

Q. Which of the following do you have money invested / saved in? (Select all that apply)



Base: All (n=1,500)

Engaged Investors include those that have money invested in an asset class outside of KiwiSaver and/or a savings account while Non/Non-engaged investors include those who either don't have investments or only have money invested in KiwiSaver and/or a savings account.



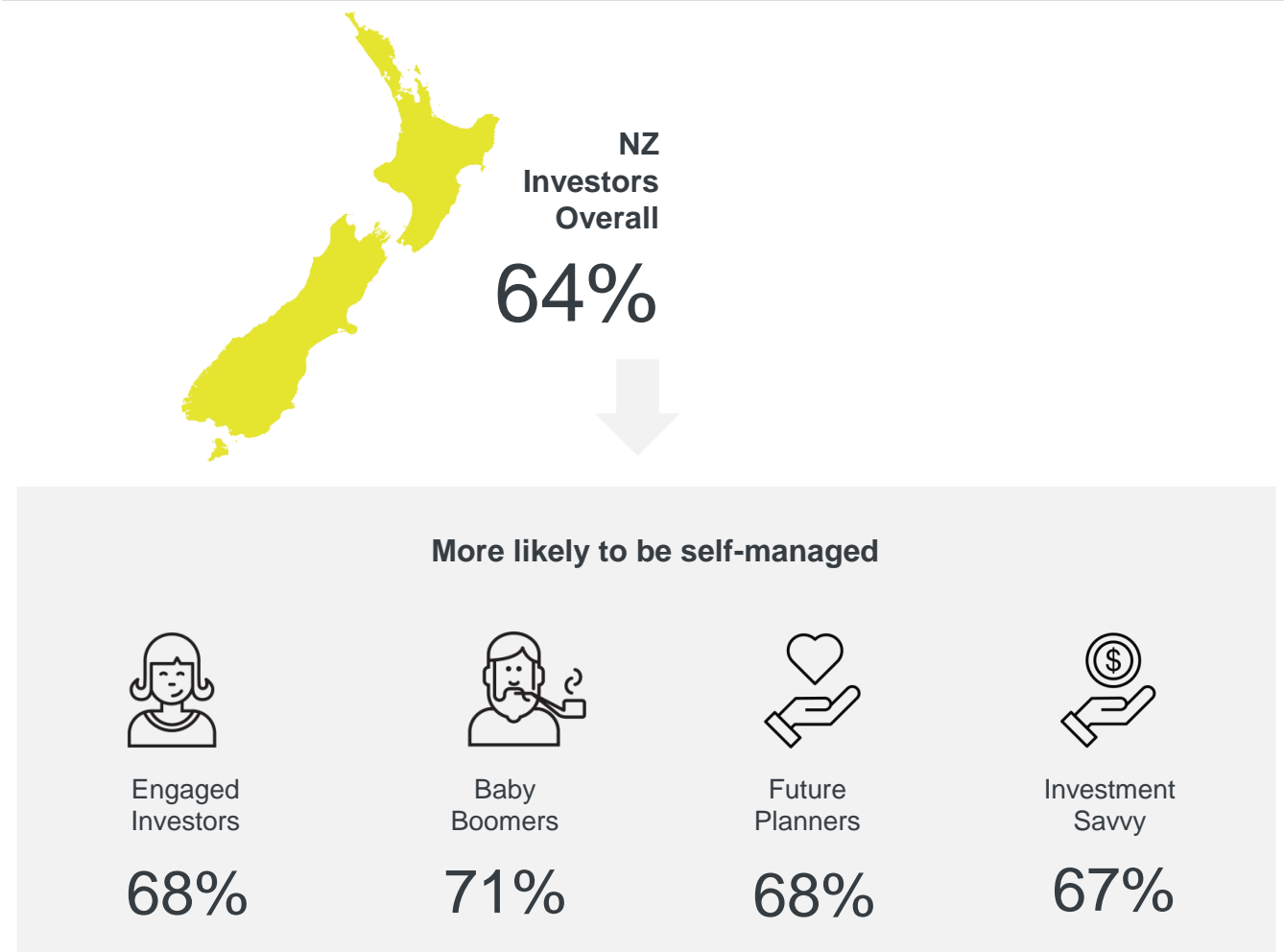
Women (42%) and millennials (33%) are significantly less likely to be Engaged Investors.

Base: Investors (n=1,268)

Proportion of Portfolios That are Self-Managed

- Almost two thirds of the average New Zealand Investment portfolio is self-managed.
- Engaged Investors, baby boomers, Future Planners and Investment Savvy New Zealanders are all more likely to have a higher proportion of self-managed investments.
- Among investors without property (both commercial and residential) 62% of assets in the average portfolio are self-managed.

Q. Thinking about your entire investment portfolio, please indicate the percentage that is self-managed/directed (as opposed to managed by another person/organisation)



Base: Investors (n=1,268)

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Behaviours and Attitudes Around Shares and ETFs

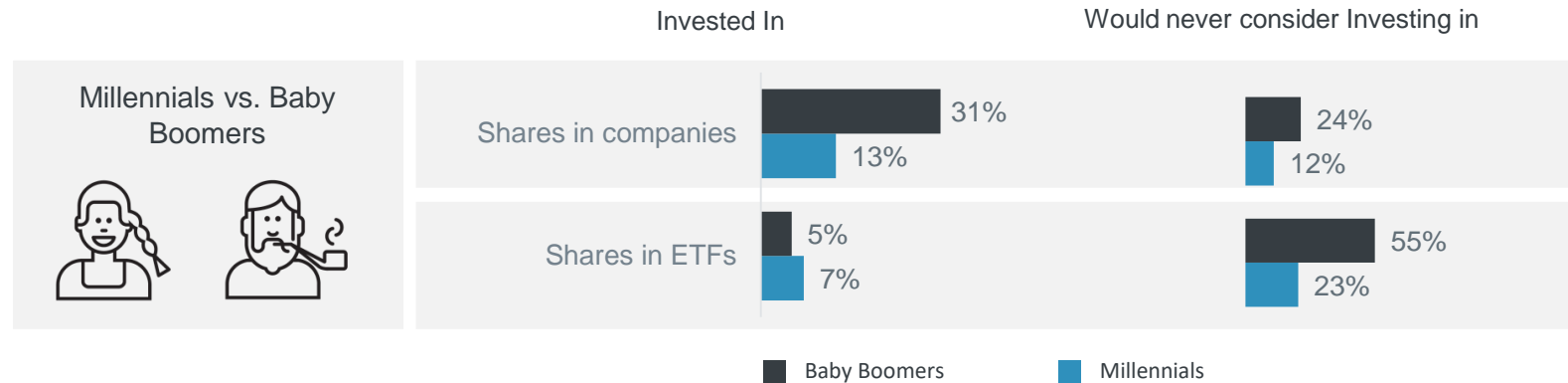
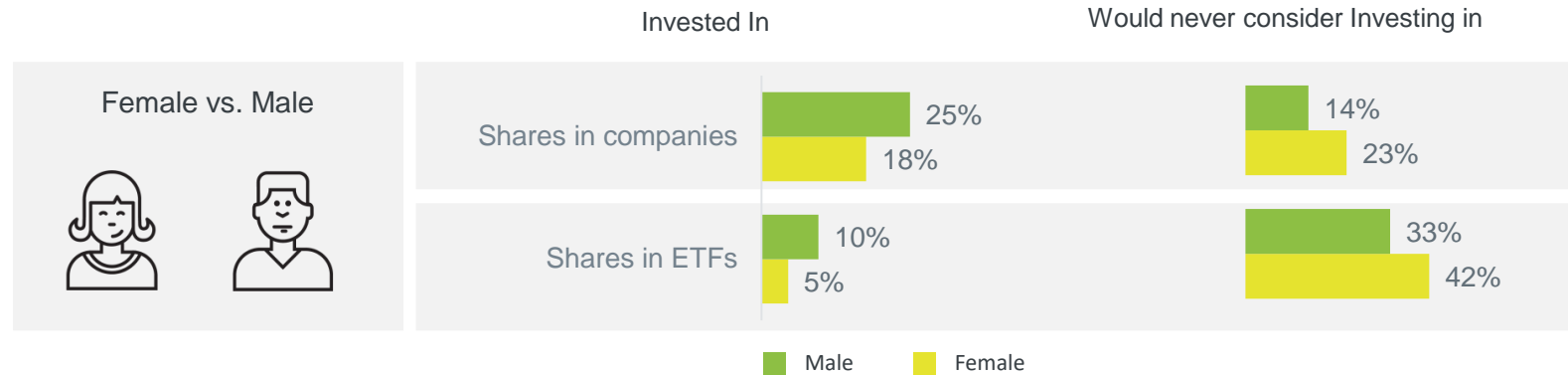
Investing in Shares and ETFs

Key Insights

1. Women are significantly less likely to be invested in shares in companies and ETFs and are also significantly less likely to be open to investing in both.
2. Millennials are significantly less likely to be invested in shares currently. However, they are significantly more likely to be open to investing in both asset classes.

Q. Which of the following do you have money invested / saved in? (Select all that apply)

Q. Which of the following would you never consider investing in? (Select all that apply)



Base: Investors (n=1,268):
Males (n=624), Females (n=644): Millennials (n=371), Baby Boomers (n=439)

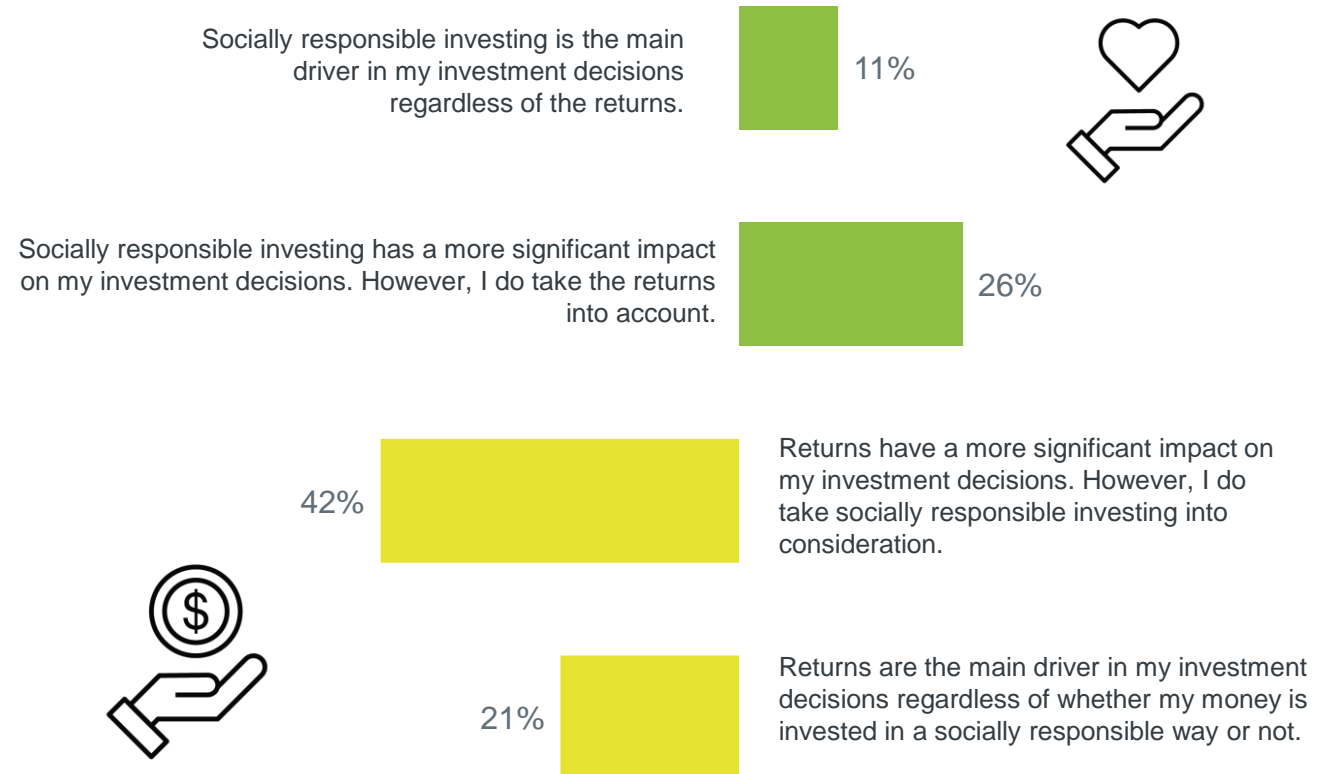
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The Role of Social Investing

Influence of Socially Responsible Investing

- Socially responsible investing is the primary driver of investment decisions for 37% of New Zealanders while it is a consideration for 79%.
 - In particular it is/would be a driver for investment decisions among Non/ Non-Engaged Investors (42%).
- When targeting new investors, socially responsible investing should therefore play a key part in messaging.
- No significant differences exist across age and gender.

Q. Which of the following statements best describes you in regards to the trade-off between socially responsible investing and investment returns?



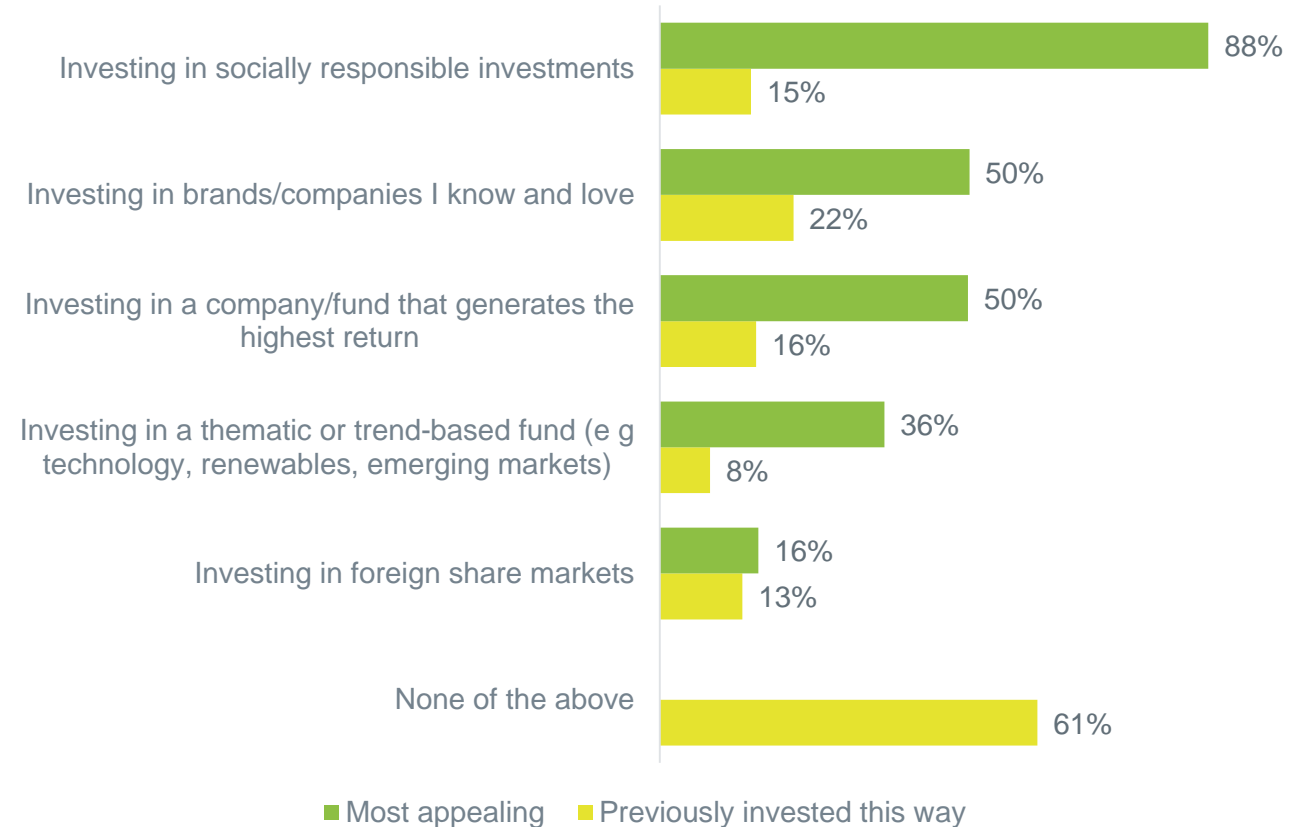
Base: All (n=1,500)

Preferred Way to Invest vs. Ways People have Invested

- When introducing other strategies of investing, social investing compares well as the preferred way to invest. However, not many people have invested this way before.
- The most common ways people have invested previously is in brands they know and love and a fund that generates the highest return.
- Investing in foreign share markets had the lowest appeal.

Q. Below is a set of different ways people can invest. If you were considering investing, which of the following would be the most appealing? (Select the 3 most appealing options)

Q. Which of the following ways have you invested previously? (Select all that apply)



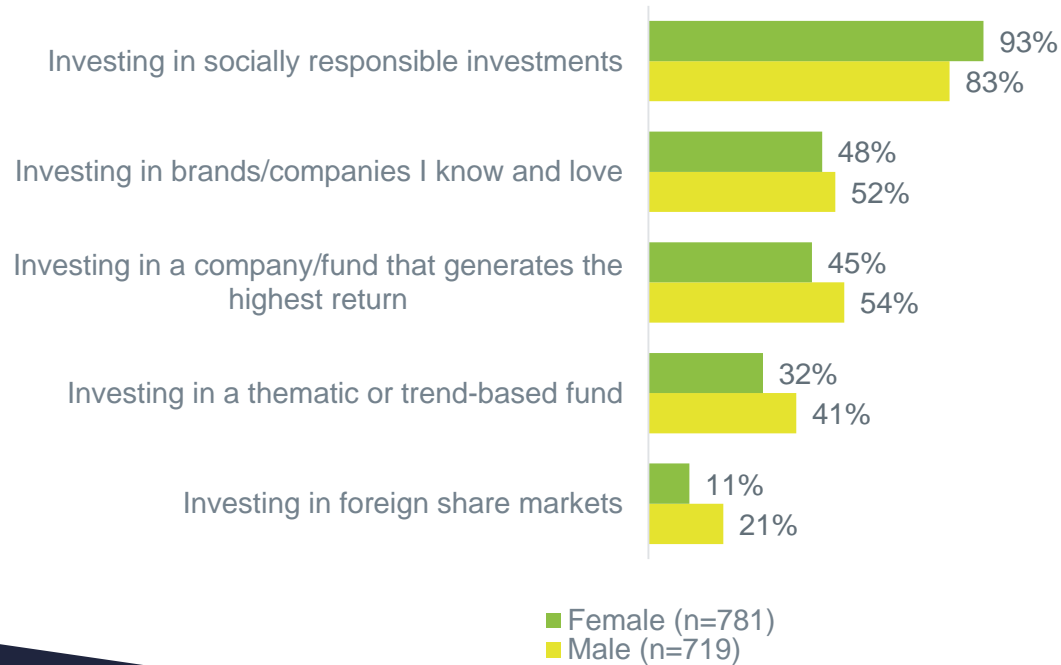
Base: All (n=1,500)

Preferred Way to Invest Continued

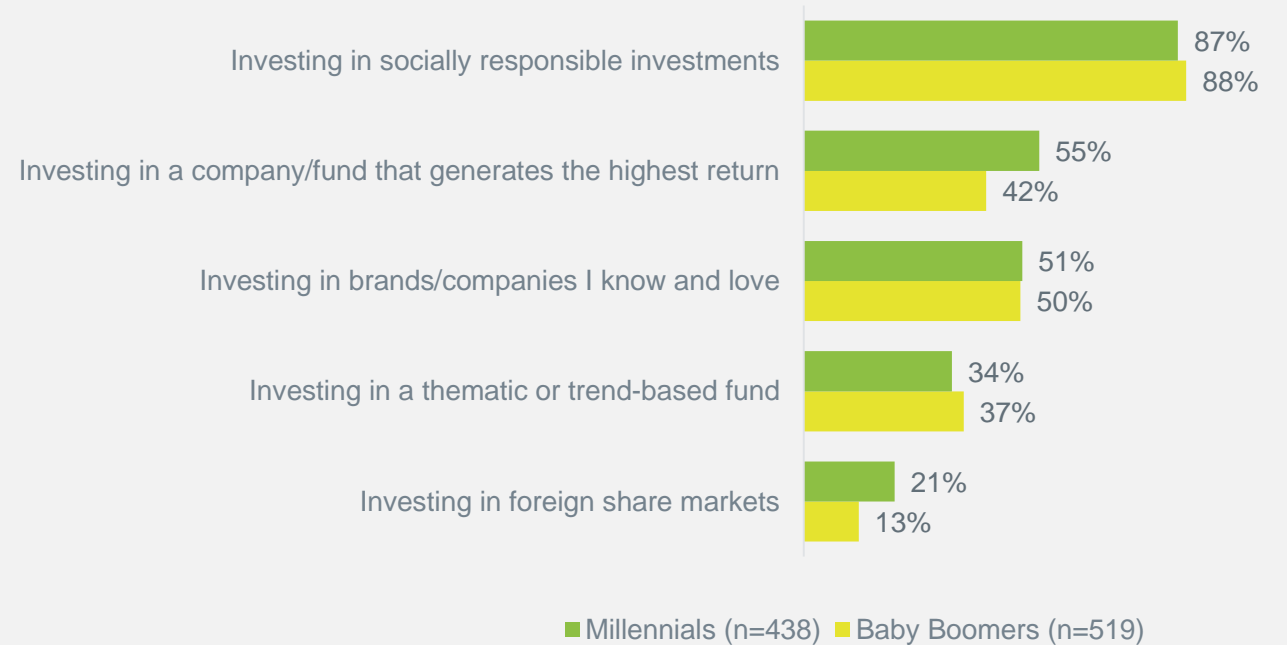
- Women are more likely to be driven by socially responsible investing, showing significantly higher appeal across the three types.
 - Foreign share markets, thematic investing and investments generating the highest return over-index among males.
- Millennials are more likely than baby boomers to be driven by the fund that generates the highest return. This shows that while social implications are highly important in the investment decisions of millennials this is more likely to be in conjunction with return based considerations.

Q. Below is a set of different ways people can invest. If you were considering investing, which of the following would be the most appealing?
(Select the 3 most appealing options)

Female vs. Male



Millennials vs. Baby Boomers



Thank you